COASTAL CONSERVANCY

Staff Recommendation
July 21, 2011

AUSTIN CREEK WATERSHED RESTORATION- PHASE I

Project No. 08-091-02
Project Manager: Lisa Ames

RECOMMENDED ACTION: Authorization to disburse up to $140,000 to the Sotoyome Resource Conservation District to implement Phase I of the *Austin Creek Watershed Restoration Program*, consisting of road-related sediment reduction measures in the watershed of Austin Creek, a tributary to the Russian River in Southern Sonoma County.

LOCATION: Austin Creek watershed, a tributary to the Russian River, approximately 5 miles from the Pacific Ocean within an unincorporated area of Sonoma County (see Exhibit 1, "Location Map" and Exhibit 2, "Austin Creek Watershed.")

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Austin Creek Watershed Map

Exhibit 3: Photographs

Exhibit 4: Project Letters

Exhibit 5: DFG 2011 Fisheries Restoration Grant Program Mitigated Negative Declaration Without Unrelated Documents.

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one hundred forty thousand ($140,000) to the Sotoyome Resource Conservation District ("SRCD") to implement Phase I of the *Austin Creek Watershed Restoration Program*, consisting of road-related sediment reduction measures in the watershed of Austin Creek, a tributary to the Russian River, for the purpose of enhancing critical anadromous fish habitat subject to the

condition that prior to the disbursement of funds for the project, the SRCD shall submit for the review and written approval of the Executive Officer of the Conservancy:

a. A work program, including schedule, budget and detailed site plans for the project and a plan for post-implementation monitoring to evaluate the success of the project.

b. The names and qualifications of any contractors to be employed on the project.

c. Evidence that all permits and approvals necessary to undertake the project have been obtained.

d. A signing plan for the project acknowledging the Conservancy's participation in this project.

e. Evidence that landowners on whose property the proposed project will take place have agreed to maintain the work for ten years."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines, updated by the Conservancy on June 4, 2009.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources.
3. The project area is identified by the Sonoma County Local Coastal Program as requiring public action to resolve existing resource protection problems."
4. The Conservancy has independently reviewed and considered the California Department of Fish and Game Mitigated Negative Declaration for the 2011 Fisheries Restoration Grant Program, attached to the accompanying staff recommendation as Exhibit 5, and finds that the project, as mitigated, avoids, reduces or mitigates the possible significant environmental effects and that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382."

PROJECT SUMMARY:

The proposed authorization would enable the Sotoyome Resource Conservation District ("SRCD"), a public entity, to implement Phase I of the *Austin Creek Watershed Restoration Program* with road-related sediment source reduction measures within the Gray and Gilliam Creek subwatersheds of Austin Creek, the source of one of the largest and most important watersheds draining into the Russian River. This project will reduce upland erosion and sediment delivery to Austin Creek and thereby promote the long-term restoration and maintenance of both water quality and fish habitat. The sediment source reduction project is designed to improve habitat conditions for endangered Coho salmon, as well as threatened Chinook salmon and steelhead populations. Future implementation phases are planned over the

next 10-12 years with the overall goal of successfully curtailing anthropogenic sediment inputs into Austin Creek.

The *Austin Creek Watershed Restoration Program* was prepared by the SCRD using Conservancy funding, in 2008. The Program includes a sediment source assessment and site-specific treatment recommendations for 55 miles of unpaved road segments on public and private lands in the watershed; the Phase I project will implement the recommended treatments on 11.74 miles of road found to be hydrologically connected to the watercourses in the project area. Specifically, the SRCD will upgrade stream crossings, shape roads to drain more effectively, decommission lengths of road, and stabilize road-induced gullies and landslides, preventing an estimated 13,145 yd^3 of sediment from entering East Austin Creek from the Gray and Gilliam Creek drainages. This project will directly affect 3,600 acres in the upper extent of the two drainages. Roughly 60% of the project will occur within the Gilliam Creek drainage and the remaining 40% will occur within the Gray Creek drainage. There are three private landholders involved in the project, all residing within the Gray Creek watershed, while the entire extent of work in Gilliam Creek will happen within Armstrong Redwoods State Park. The project area is approximately 8% of the entire Austin Creek watershed.

This area was chosen to begin implementation of the *Austin Creek Watershed Restoration Program* for three reasons: 1) the presence of vital coho spawning habitat and work in conjunction with the ongoing *Russian River Coho Salmon Captive Broodstock Program* in Gray Creek initiated by the Department of Fish and Game (DFG), National Marine Fisheries Service (NMFS), and the US Army Corps of Engineers; 2) the ability to do a large volume of road decommissioning on State Park property, and 3) cooperative private landowners in the Gray Creek watershed. All landowners and land managers involved with the project will sign a Landowner Access Agreement drafted by California Department of Fish and Game. This agreement requires the landowner to maintain the implemented work for at least a 10-year period.

The SRCD has a fifty-year history of conservation achievements in Sonoma County, with its efforts focused in particular on the 1,500 square mile Russian River watershed. The SRCD has completed numerous projects in the Austin Creek Watershed, including two previous assessments (funded by the RWQCB) that provide critical background data for the proposed project: the *Russian River Coastal Tributary Improvement Program*, which collected data on water quality over a six-year period in a collaborative effort with private landowners, community groups and public agencies; and the *Austin Creek Watershed Assessment*, which utilized detailed Geographic Information System information to analyze erosion problems and areas of major vegetation changes. The SRCD has completed similar sediment control projects on over 130 miles of rural roads in the Gualala and Russian River watersheds, using funding provided by the DFG and RWCQB. The SRCD is also highly regarded for its technical assistance and local outreach and education programs. Using Conservancy funding provided in 2003, it published *The Grazing Handbook*, used extensively by public agency personnel and private landowners throughout coastal northern California.

Site Description: Austin Creek is located in western Sonoma County and flows into the lower Russian River near Duncans Mills, several miles upstream from the river mouth. The Austin Creek watershed, encompassing an area of 69 square miles, is dominated by steep mountains that rise from sea level to the ridgeline at 2100 feet, and includes 24 named tributaries. The

watershed has the highest annual rainfall of any area within the region, ranging from 55 inches at the drier ridgelines to 75 inches near the confluence with the Russian River.

Major land uses in the Austin Creek basin include timber harvesting, gravel mining and rural residential development. Two areas – Armstrong Woods State Park and Austin Creek State Recreation Area (together encompassing 9 square miles) – are under Department of Parks and Recreation ownership. However, the majority of the watershed is in private ownership (which complicates restoration efforts) and is crisscrossed by a dense network of unpaved and poorly graded roads. These roads were constructed on highly erodible soils, and have been identified as the major source of the fine sediments that wash down the hillsides and creek, polluting Austin Creek, the Russian River and its estuary, and downstream coastal waters.

Despite its degraded condition, Austin Creek still provides areas of excellent spawning and rearing habitat for Coho salmon, and is considered to be one of the largest contributors to the Russian River's overall Coho salmon population. The NMFS considers this watershed as key to the recovery of Russian River Basin coho and Chinook salmon and steelhead trout. In addition to salmonids, the Austin Creek watershed is home to a number of other special status species including the California Freshwater Shrimp and the Foothill Yellow-Legged Frog.

This project area lays, specifically, within the Gray and Gilliam Creek watersheds, each a major tributary to East Branch Austin Creek. The combined acreage of Gray and Gilliam Creeks is approximately 6,150 acres and this project will directly affect 3,600 acres in the upper extent of the two drainages. Roughly 60% of the project will occur within the Gilliam Creek drainage with the remaining 40% taking place in Gray Creek. There are three private landholders involved in the project, all residing within the Gray Creek watershed, while the entire extent of work in Gilliam Creek will happen within Armstrong Woods State Park. The project area is roughly 8% of the entire Austin Creek watershed.

Project History: Austin Creek is recognized as a cornerstone in local, state and federal efforts to increase Coho salmon and steelhead populations in the Russian River and its tributaries and, as such, has been the subject of numerous studies and restoration programs. DFG considers the Russian River and the "Austin Creek Hydrologic Sub-area" critical for salmonid conservation and recovery. DFG's *Recovery Strategy for California Coho Salmon* (2004) lists Austin Creek as an important steelhead and Coho salmon stream, and recommends that excess sediment be assessed, prioritized and treated (as is proposed in this authorization). In an unprecedented effort to restore coho salmon populations, the DFG, the NMFS, and the US Army Corps of Engineers initiated the *Russian River Coho Salmon Captive Broodstock Program* in 2001, with the goal of re-establishing self-sustaining runs of coho salmon in tributary streams within the Russian River basin. Offspring of these captive-reared broodstock are stocked as juveniles within their historic range, including two tributaries to Austin Creek (Ward and Gray Creeks).

Since 2002, the NMFS and Trout Unlimited, working closely with Bohan and Canelis (a local gravel mining company) and the DFG, have constructed in-stream habitat improvements in the lower reach of Austin Creek (the *Lower Austin Creek Migration Improvement Project*) to encourage Coho salmon and steelhead populations.

In 2008, the Conservancy funded development of the *Austin Creek Integrated Watershed Restoration Program* and contributed to partial implementation of the *Migration Improvement Project* mentioned above. The *Restoration Program* included a site-specific sediment source

assessment of 55- miles of road within the watershed and recommended treatment for 30 miles of these roads to prevent further sediment delivery to the stream system. The Phase I project (the subject of this authorization) will implement the recommended treatments on 11.74 miles of road identified in the assessment.

PROJECT FINANCING

Coastal Conservancy	$140,000
CA Department of Fish and Game	$335,300
CA Department of Water Resources	$189,160
Sotoyome RCD	$ 14,000
Total Project Costs	$678,460

Conservancy funds for Phase I will be used for sediment reduction measures in the Austin Creek watershed and allow the SRCD to leverage matching funds through the DFG Fisheries Restoration Grant Program ($335,300 awarded in 2010) and DWR North Coast Integrated Regional Water Management Plan ($189,162 awarded in 2010). In addition, the SRCD will contribute $14,000 through property tax allocations.

The expected source for the Conservancy funds for this project is the fiscal year 2009-2010 appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). See Public Resources Code § 75001 et seq. These bond funds can be used for projects that are consistent with Division 21 of the Public Resources Code, the Conservancy's enabling legislation and that protect coastal waters and watersheds, including projects to prevent contamination and degradation of coastal waters and watersheds and projects that restore natural habitat values of coastal waters and lands. Use of Proposition 84 funds for the proposed project is appropriate because the proposed project will prevent continued degradation of, and help restore the natural habitat values of Austin Creek, which drains into the Russian River, which is within a coastal watershed. Restoration of Austin Creek is critical to restoring the natural habitat values of the Russian River. In addition, the proposed project is consistent with Chapter 6 of Division 21, as discussed in greater detail below.

This project is appropriate for prioritization under the criteria in Public Resources Code Section 75071 (a provision of Proposition 84) because the project includes non-state matching funds and will contribute to the long-term protection of and improvement to the water and biological quality of streams in the Russian River watershed, a priority watershed of one of the major biological regions of the state as identified by the Resources Agency. As discussed below, the project is consistent with Chapter 6 of Division 21.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code (Sections 31251-31270), regarding enhancement of coastal resources.

Section 31251 authorizes the Conservancy to award grants to public agencies for the purpose of enhancement of coastal resources that, because of natural or human-induced events or incompatible land uses have suffered loss of natural values. Timber practices, road construction, mining and residential development in the Austin Creek watershed have increased sediment delivery to the creek and to the Russian River, downstream. The proposed sediment reduction measures will restore the landscape and correct poorly designed road features to prevent further erosion. The project will restore fish habitat and aid in the recovery of salmon and steelhead populations. Thus, this grant will be used for corrective measures that will enhance the natural character of the area, consistent with Section 31251.

Section 31251.2 authorizes the Conservancy to award grants to public agencies for the enhancement of watershed resources that lie partially outside the coastal zone. The proposed grant to the SRCD, a public agency, involves constructing projects in the Austin Creek watershed, which is located outside the coastal zone, to benefit the Russian River and its watershed resources, particularly anadromous fish. The Russian River watershed lies both within and outside the coastal zone. Therefore, funding of the proposed project is consistent with section 31251.2

As required in Section 31252, the area of the proposed project is identified in the Sonoma County Local Coastal Program (LCP) as requiring public action and assistance to resolve existing resource protection problems in that the LCP identifies the need for public assistance to resolve sedimentation in freshwater fishery resources such as the Russian River and its tributaries.

Pursuant to Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. The SRCD and its partners are providing a match of over 80% for this project. In determining the amount of Conservancy funding for this project, the factors identified in §31253 have been considered and applied, as described in detail below, under the heading "Consistency With Conservancy's Project Selection Criteria & Guidelines.**"**

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objective** B of the Conservancy's 2007 Strategic Plan, the proposed project will restore and enhance the biological diversity in a coastal draining watershed by reducing erosion and sediment threats to salmonid habitat while working with local partners and promoting public outreach.

Consistent with **Goal 6, Objective B** of the Conservancy's 2007 Strategic Plan, the proposed project will implement sediment control measures to preserve and restore water quality, habitat

and other coastal resources working with watershed partners and promoting public outreach in a coastal draining watershed.

Consistent with **Goal 6, Objective F** of the Conservancy's 2007 Strategic Plan, the proposed project will reduce impacts of runoff to improve water quality and benefit anadromous salmonids in a coastal draining watershed working with existing partners and with the involvement of additional private property owners.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The project has received support from the community and elected officials. Letters of support are included in Exhibit 4.
4. **Location:** The proposed project will be conducted in the Austin Creek watershed in western Sonoma County and will benefit anadromous fish spawning in the greater Russian River watershed.
5. **Need:** Partner agency funding would not be sufficient to implement the sediment source reduction measures without Conservancy participation. Without Conservancy funding, the SRCD would have to continue to fundraise and would lose the 2011 construction season, which would prevent SRCD from reducing sediment sources before the 2011/2012 rainy season .
6. **Greater-than-local interest:** This project is of state-wide interest due to the possibility of improving habitat for the recovery of Coho salmon.
7. **Sea level rise vulnerability:** The Austin Creek watershed is located 5 miles from the coast and will not be impacted by sea level rise**.**

Additional Criteria

8. **Urgency:** Continued sediment flow from unpaved roads and road-induced hillside erosion into Austin Creek and subsequently into the Russian River, pose extreme risk to the quality and productivity of salmonid spawning and rearing habitat.
9. **Resolution of more than one issue**: The SRCD will work with private property owners and State Parks land managers to implement road-related sediment control measures to improve water quality and benefit salmonid populations.
10. **Leverage**: See the "Project Financing" section above.

11. **Innovation**: This project will utilize cost-efficient erosion control methods with the cooperation and long-term involvement of private and public land managers.
12. **Readiness**: The SRCD is ready to begin the road-related sediment reduction measures immediately and has matching funding in place.
13. **Realization of prior Conservancy goals**: "See "Project History" above."
14. **Cooperation**: The County of Sonoma, federal, state and local jurisdictions, and, most importantly, private landowners have agreed to cooperate in the Phase I sediment source reduction project. This cooperation includes participation and funding from a variety of public and private sources.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The Sonoma County Local Coastal Program ("LCP"), certified in 1981 and revised and incorporated into the Sonoma County General Plan on December 12, 2001, identifies the need for public action and assistance to resolve sedimentation, loss of riparian vegetation, and stream bank erosion in freshwater fishery resources such as the Russian River and its tributaries. The LCP contains the following objectives for the effective management and protection of freshwater fishery resources: 1) identifying sources of sediment; and 2) managing riparian corridors along streams to provide protection for fish habitat. Further, the proposed authorization is consistent with the LCP Environmental Resources Management Recommendations for Riparian Areas (10) that "require erosion control measures for projects affecting the riparian corridor".

COMPLIANCE WITH CEQA:

The sediment reduction activities of the proposed project, Austin Creek Watershed Restoration Phase I, were reviewed under the California Environmental Quality Act (CEQA) in the Mitigated Negative Declaration (MND) prepared by the Department of Fish and Game (DFG) as part of its 2011 Fisheries Grant Restoration Program. DFG submitted the document to the State Clearing House in December 2010 and approved and adopted the MND January 24, 2011 following the 30-day public review. A Notice of Determination was filed by DFG January 24, 2011.

In the MND attached as Exhibit 5, DFG finds that the overall 2011 Fisheries Grant Restoration Program has the potential for short-term adverse impacts on soil, vegetation, wildlife, water quality, and aquatic life, but mitigation measures incorporated into the program will insure that the program does not have significant effects on the environment. Exhibit 5 includes two appendices of the MND pertinent to this project: the Statement of Work for the Austin Creek Watershed Restoration Phase I Project and Mitigation Measures, Monitoring and Reporting Program (MMRP) for the 2011 Fisheries Restoration Grant Program. As indicated in the MMRP, the proposed project will be carried out in conformance with numerous mitigation measures in the categories of biological resources, geology and soils, cultural resources, hazards to the environment and the public, and hydrology and water quality. The project does not require mitigation measures in any other issue area, including the emission of greenhouse gases. Several of the mitigation measures pertinent to the Austin Creek Watershed Restoration Phase I project are described below.

Biological Resources

To ensure that the proposed project will not have significant adverse impacts on rare plants and animals and fish habitat, the mitigation measures described below will be followed.

Archaeology and rare plant surveys will be completed prior to any ground disturbing activities. A review of the DFG's current Natural Diversity Data Base (NDDB) provided a list of species which may be expected to occur in the project area including California red-legged frog, freshwater shrimp, steelhead trout and Coho salmon. Where appropriate, a DFG-approved biologist will survey each site for these species before allowing work to proceed and prior to issuance of a Streambed Alteration Agreement. A qualified biologist will monitor activities at the work site, and all work in the stream will be stopped immediately if it is determined by DFG that the work has the potential to adversely impact these species or their habitats. Work shall not recommence until DFG is satisfied that there will be no impact on the species or after the species can be moved in accordance with DFG (or in the case of the California red-legged frog, USFWS) protocols.

SRCD will restrict work conducted around streams to the period of June 15 through November 1 or the first significant rainfall, whichever comes first. This is to take advantage of low stream flow and avoid the spawning and egg/alevin incubation period of salmon and steelhead. In areas with CA red-legged frog habitat, work will be limited between July 1 and October 15, and in areas with freshwater shrimp habitat, work must be completed between July 1 and November 1.

In regard to use of heavy equipment, staging/storage areas for equipment, materials, fuels, lubricants, and solvents, will be located outside of the stream's high water channel and associated riparian area where it cannot enter the stream channel. SRCD shall ensure that contamination of habitat does not occur during such operations. Prior to the onset of work, DFG shall ensure that SRCD has prepared a plan to allow a prompt and effective response to any accidental spills. All workers shall be informed of the importance of preventing spills and of the appropriate measures to take should a spill occur.

Geology and Soils

Implementation of the Austin Creek Watershed Restoration Phase I project will contribute to an overall reduction in erosion and sedimentation. Existing roads will be used to access work sites. Road improvements and decommissioning will involve moving large quantities of soil from road fills and stream crossings to restore historic land surface profiles and prevent chronic erosion and sediment delivery to streams. In order to avoid temporary increases in surface erosion, the following mitigation measures will be implemented:

All stream crossing replacements or in-stream work sites will be reviewed by engineers prior to commencement of work, effective erosion control measure (straw bales or silt fences) will be in-place at all times during construction, and where necessary maintained following construction until erosion subsides, sediment will be removed from sediment controls at pre-determines capacities, sediment-laden water will be filtered before it enters the stream or aquatic resource area, turbidity/siltation levels resulting from project activities that pose a threat to aquatic life will cease until DFG-approved sediment control devices are installed and/or abatement

procedures are implemented, and upon project completion, all exposed soil present in and around the project site will be stabilized (mulched or re-seeded) within seven days.

Conservancy staff concurs with the Department of Fish and Game's assessment that the project, as mitigated, does not have the potential to have a significant impact on the environment, and recommends that the Conservancy, as a responsible agency under CEQA, also make this finding. Staff will file a notice of determination upon Conservancy approval of the project.